100TH CONGRESS
1st Session

SENATE

REPORT
100-154

REPORT ON SECURITY AT THE UNITED STATES MISSIONS IN MOSCOW AND OTHER AREAS OF HIGH RISK

REPORT

OF THE

SELECT COMMITTEE ON INTELLIGENCE UNITED STATES SENATE

SEPTEMBER 9, 1987.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

74-334

WASHINGTON : 1987

S423-3

SENATE SELECT COMMITTEE ON INTELLIGENCE

[Established by S. Res. 400, 94th Cong., 2d Sess.]

DAVID L. BOREN, Oklahoma, *Chairman*
WILLIAM S. COHEN, Maine, *Vice Chairman*

LLOYD BENTSEN, Texas
SAM NUNN, Georgia
ERNEST F. HOLLINGS, South Carolina
BILL BRADLEY, New Jersey
ALAN CRANSTON, California
DENNIS DECONCINI, Arizona
HOWARD M. METZENBAUM, Ohio

WILLIAM V. ROTH, JR., Delaware
ORRIN HATCH, Utah
FRANK MURKOWSKI, Alaska
ARLEN SPECTER, Pennsylvania
CHIC HECHT, Nevada
JOHN WARNER, Virginia

ROBERT C. BYRD, West Virginia, *Ex Officio*
ROBERT DOLE, Kansas, *Ex Officio*

SVEN E. HOLMES, *Staff Director and General Counsel*
JAMES H. DYKSTRA, *Minority Staff Director*
KATHLEEN P. MCGHEE, *Chief Clerk*

LETTER OF TRANSMITTAL

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, April 29, 1987.

Hon. CLAIBORNE PELL,
Hon. JESSE HELMS,
Hon. JOHN C. STENNIS,
Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, DC.

DEAR SENATORS PELL, HELMS, STENNIS, AND HATFIELD: Consistent with our oversight responsibility, and pursuant to a request by the Senate Foreign Relations Committee, transmitted herewith is a report prepared by the Senate Select Committee on Intelligence regarding security at the United States missions in Moscow and other areas of high counterintelligence risk. The report provides a general analysis of the problem, the history of Congressional work, and the summary of the relevant budget issues.

The report also includes a set of recommendations to enhance security at United States Embassies overseas. Included is a recommendation that, to ensure continuing, comprehensive oversight by the Congress, a task force should be established among the Appropriations Committee, the Foreign Relations Committee, and the Intelligence Committee. Accordingly, we would ask that your Committee give this proposal full consideration.

As you know, we believe that the question of security at our Embassies overseas is a problem of utmost importance. We look forward to working with you on this vital matter.

Sincerely,

DAVID L. BOREN,
Chairman.

WILLIAM S. COHEN,
Vice Chairman.

100TH CONGRESS
1st Session

SENATE

REPORT
100-154

REPORT ON SECURITY AT THE UNITED STATES MISSIONS IN MOSCOW AND OTHER AREAS OF HIGH RISK

SEPTEMBER 9, 1987.—Ordered to be printed

Mr. BOREN, from the Select Committee on Intelligence, submitted the following

REPORT

I. INTRODUCTION

Since its inception, the Select Committee on Intelligence has accorded a high priority to security programs designed to combat the foreign espionage threat against the United States. The Committee has recommended a number of initiatives over the years, primarily in four areas: (1) improving the effectiveness of counterintelligence and security programs through budget authorization and oversight hearings; (2) reducing the hostile foreign intelligence presence in the United States; (3) providing a comprehensive, analytical overview of the entire national counterintelligence and security effort; and (4) improving what the Committee identified three years ago as a seriously deficient security situation at the U.S. Embassy in Moscow.

BUDGET AUTHORIZATION AND OVERSIGHT

The Committee has believed for some time that those charged with carrying out security programs for the national security and intelligence communities have received neither the resources adequate to fulfill their responsibilities nor the necessary recognition for their missions. Resource constraints and inadequate staffing limited the effectiveness of many counterintelligence and security programs. In an attempt to address this problem, this Committee has provided increased funding and manpower. In response to the Committee's urging and with authorizations for counterintelligence programs, the Federal Bureau of Investigation, the Department of Defense, and the CIA have improved counterintelligence programs and career opportunities. Between FY 1980 and FY 1985, over 2,200 new counterintelligence positions were created. The Committee also authorized, and Congress approved, additional funds to

strengthen the FBI's technical surveillance and data processing capabilities.

The Committee has urged counterintelligence analysts to recognize that the threat goes beyond the traditional use of human agents and includes collection denial and possible deception aimed at U.S. technical systems.

Beginning in the early 1980's, the Committee supported the institution of a comprehensive, interagency counterintelligence policy to better coordinate countermeasures against hostile intelligence initiatives. In 1982, the Directors of the CIA and FBI instituted measures to tighten cooperation in counterintelligence.

In 1985–86, the Director of Central Intelligence created new positions for a National Intelligence Officer and a small inter-agency analytic staff to assess hostile deception efforts. The CIA's Directorate for Intelligence also established a unit to analyze the activities of foreign intelligence services engaged in hostile actions against the United States. These two initiatives have contributed to an expansion of Executive branch multidisciplinary counterintelligence analysis and a heightened sensitivity to the implications of major security breaches for intelligence analysis of the Soviet Union.

THE HOSTILE FOREIGN INTELLIGENCE PRESENCE

The Committee has been increasingly concerned about the growing number of Soviets posted in the United States for purposes of espionage. The Committee has consistently recommended reciprocity of treatment and equivalence in the size of the Soviet-bloc official presence here and the U.S. official presence in the Soviet Union and Eastern Europe.

In response to restrictions placed on U.S. diplomatic personnel posted in Soviet-bloc countries, and in an attempt to keep closer track of bloc personnel serving in this country, the Congress in 1982 passed the Foreign Missions Act. The Act created the Office of Foreign Missions in the State Department, which was empowered to impose restrictions and conditions upon certain foreign Embassies here comparable to those imposed on counterpart U.S. Embassies. This legislation also provided for certain restrictions to be placed on travel in the United States by Soviet and other diplomats, and required that diplomats' cars carry distinct license plates, thereby enabling the FBI's counterintelligence units to monitor more easily any suspect activities.

The 1985 Committee report, "Soviet Presence in the U.N. Secretariat," outlined several serious aspects of Soviet espionage activities in the United States. A review of bilateral equivalence resulted in the requirement, contained in the FY 1986 Intelligence Authorization Act, that the President provide the House and Senate Intelligence Committees, the Senate Foreign Relations Committee, and the House Foreign Affairs Committee with annual reports of any disparities between the size of U.S. overseas missions and the size and treatment accorded corresponding missions from other countries in the United States.

Committee Members introduced legislation to mandate equivalency in the size of the Soviet and U.S. diplomatic missions to the United Nations and in the size of the Soviet Embassy and consular

staffs here and those of the United States in the Soviet Union. As a consequence of the Leahy-Cohen amendments of 1985 and 1986, the United States moved toward essential equivalence with the Soviet Union in its diplomatic and consular presence, and the Soviet Union was compelled to reduce sharply the size of its U.N. mission and its diplomatic and consular presence in the United States. By relying on the FBI to designate the specific individuals that had to leave, the U.S. Government was able to impair the large KGB presence in both New York and Washington, D.C.

COUNTERINTELLIGENCE REPORT

In 1986, the Committee published a detailed report, "Meeting the Espionage Challenge: A Review of United States Counterintelligence and Security Programs," in an effort to stimulate improvement in the protection of sensitive information from the threat of foreign acquisition. The study was written in close cooperation with the National Security Council Staff and the Intelligence Community Staff, which were reviewing the same subject for the White House. The final document contained over a hundred specific findings and recommendations. The White House set forth dozens of new security initiatives in its own classified report on counterintelligence and many proposals that had languished in the bureaucracy were elevated to the policy level for consideration and adoption.

MOSCOW EMBASSY

Among other things, "Meeting the Espionage Challenge" described the Committee's long-standing concern for the security of the U.S. Embassy in Moscow against the hostile intelligence assault of the KGB.

In June 1985, a FBI counterintelligence expert detailed in testimony before the Committee the espionage opportunities enjoyed by the Soviets because of United States employment of over 200 Soviet nationals in support positions at the Moscow Embassy, and the corresponding disadvantage suffered by U.S. counterintelligence due to the Soviet practice of employing only their own citizens in comparable support positions at their diplomatic missions in the United States. At this hearing, witnesses also testified regarding the 1984 discovery that typewriters at the Moscow Embassy had been bugged with sophisticated electronic transmitting devices which gave the Soviets access to some Embassy communications.

In 1985, the Committee received its first testimony indicating that there was strong evidence that the Soviets had succeeded in incorporating a complex and comprehensive electronic surveillance system into the structure of the new U.S. Embassy under construction in Moscow, even though the Intelligence Community had been in possession of indications of such penetration since 1982.

In recognition of the need for immediate improvements, the Committee voted to authorize a $50 million supplemental appropriation in FY 1985 for security countermeasures at U.S. overseas missions. The Department of State objected to the provision which directed the administration of these funds by the CIA. As finally enacted by the Congress, the appropriation was trimmed to $35 million and the Department of State was named as one of the agencies to

which the money was to be allocated. The State Department, working with intelligence experts, used some of this appropriation to establish more secure procurement, storage, transport, installation, and repair of typewriters and other equipment used in the Moscow Embassy and other diplomatic missions abroad.

In December 1985 and October 1986 staff delegations went to Moscow to see the situation first-hand. After inspecting both the old and new Embassy buildings and conducting extensive interviews with Embassy personnel, the staff produced two reports that detailed a still grim picture of small improvements and large remaining vulnerabilities.

Parallel initiatives in the Senate have contributed to an increasing awareness of counterintelligence and security problems. In 1985 and 1986, Senator Chiles highlighted construction problems with the new embassy in Moscow. As a result, Congress mandated a structural evaluation of the new chancery by the National Bureau of Standards. The Senate Appropriations and Foreign Relations Committees have sent delegations to Moscow to inspect the old and new facilities. In 1986, at the request of the Foreign Relations Committee, the General Accounting Office prepared a report on security at U.S. Embassies overseas. Congress also passed the Omnibus Diplomatic Security and Antiterrorism Act to fund over five years a $2.4 billion program to strengthen security at U.S. overseas diplomatic posts, as well as an appropriation for the first two years of the program.

II. Security Problems at the U.S. Embassy Buildings

THE CURRENT EMBASSY COMPLEX

Committee staff members who visited the Embassy complex in December 1985 and October 1986 noted a number of significant security weaknesses, despite upgrades that had been introduced over the last two years.

In 1985, the Committee staff found that "secure" areas were equipped with an obsolescent alarm system similar to those used in apartment buildings in the United States. An improved alarm system, which had not yet been installed, had been stored in nonsecure space. Both the old and new alarms were dependent upon the attentiveness and reliability of a single Marine Guard manning the main guard post in the secure area. Committee staff also noted that the Marine Guard Detachment did not have especially high morale at this post.

Security awareness was seriously deficient in 1985. During working hours secure areas were susceptible to access by unauthorized persons, alarm systems were frequently shut off, and sometimes the doors to secure areas were left open. After working hours, frequent incidents of apparent false alarms bred a lack of urgency in responding to those alarms. By contrast, by late 1986, new locks and alarms had been installed, and the State Department's Regional Security Officer had begun to make real progress toward improving security awareness.

Soviet sophistication in technical penetration operations and the uncertain physical security at the Embassy prompted concern in 1985 regarding the designated sensitive areas of the Embassy and

communications. By 1986, some of these issues had been addressed. The Embassy improved adherence to proper security practices regarding equipment coming into the Embassy in the wake of the 1984 discovery of Soviet bugging of Embassy typewriters. Still, the Embassy continued to conduct some of its activities in nonsecure areas. For example, security at a warehouse where equipment was stored was, at best, a continuing challenge.

The impression of improving, if still imperfect, security was shattered in December 1986 when a Marine Guard, Sergeant Clayton Lonetree, revealed that he had helped the KGB obtain access to classified Embassy materials. The subsequent, well-publicized investigation has implicated other Marines and has included allegations that Soviet operatives were permitted extended physical access to the Embassy. This investigation continues and includes the interrogation of Marine Guards and Embassy personnel, as well as further inspection of Embassy facilities and equipment.

A worst-case assessment of the Moscow Embassy situation is based upon the assumption that Soviet operatives were given repeated access, for hours at a time, to the most sensitive areas of the Embassy. Given such access, one must assume that the Soviets had sufficient time to penetrate the locks and alarms on those access points. Thus, Embassy communications equipment and all Embassy documents must be presumed to have been compromised.

The Marine Guard affair has highlighted several security shortcomings at the U.S. Embassy. Questions have been raised regarding the selection criteria, training, and day-to-day supervision of those guards by both Marine and State Department personnel. The long tours, under rules preventing social contact with locals, have proved a serious flaw. The lack of polygraphs at the end of tours and of counterintelligence investigations when personnel were relieved for infractions of the rules has meant that there has been no effective system to detect security compromises.

The lack of an effective alarm system meant that a single human failure point was possible for the whole security system of the Embassy. By compromising very few individuals, the Soviets could potentially expose the entire U.S. Embassy for penetration and exploitation. The final section of this report includes several recommendations that follow from this litany of shortcomings.

THE NEW EMBASSY COMPLEX

In 1979, after two decades of negotiations, the United States broke ground on the site of its new Moscow Embassy complex. By 1986 the residential and recreational buildings on the compound had been completed and occupied. The chancery was partially complete with the walls, floors, and roof in place but most of the mechanical, electrical and interior work still to come. About $23 million of the $65 million budgeted for the chancery had been expended. Meanwhile, the Soviet Union had completed construction of its complex in Washington and Embassy personnel had moved into the residential quarters on Mt. Alto. It was clear from the start that the technical countermeasures challenge would be a difficult one. The Soviets had a well-known record of technical penetrations of U.S. and other Western diplomatic facilities. Therefore, a pro-

gram of technical countermeasures intended to detect any Soviet listening devices that might be implanted in or directed against the new Embassy was initiated. At the time, U.S. intelligence agencies believed they could neutralize any bugs they might find.

Unlike the Soviets, however, the United States did not employ a systematic, stringent security program to detect and prevent Soviet technical penetration efforts. Some points of contrast between the Soviet and American practices at their respective construction sites included the following:

The Soviets changed their blueprints without warning during the architectural bidding process and generally identified nothing more specific than "office area" in their design plans. U.S. blueprints identified virtually all office spaces by name, thus making clear to the Soviets which were sensitive areas.

The Soviets used only concrete poured on site. The United States used precast components, all of which were fabricated by the Soviets off-site, with no U.S. supervision.

The Soviets inspected all materials on site before allowing their use in construction, frequently calling off construction if there were questions. The United States had a less exacting inspection system and was not willing to put security ahead of maintaining the pace of construction.

The Soviets used about 30 personnel to supervise an average daily work force of 100 Americans. The United States used 20–30 Navy Seabees to watch 600–800 Soviet laborers.

The Soviets required detailed adherence to a preset daily work schedule and strictly enforced a badge identification system for American workers. The United States had no effective system for this.

The Soviets maintained tight perimeter security and used multiple video surveillance cameras both inside and outside the buildings under construction. The United States installed perimeter sensors and closed circuit TV to monitor construction, but these systems were quickly disabled due to various "mishaps."

The U.S. contractor employed, as a design engineer, a Soviet emigre who returned to the Soviet Union shortly after the project was completed. Subsequent investigations to determine whether he may have been working for the KGB have proved inconclusive.

By and large, U.S. countermeasures against Soviet technical penetration had to be directed against a huge prefabricated structure already in place. Despite indications as early as 1982 of extensive Soviet bugging of the structure, Soviet workers were not removed from the site, nor was work halted until the summer of 1985.

At this point the U.S. inspection effort began in earnest. Technical counterintelligence teams, assuming some bugs were active, worked around the clock in silence, often in the dark because of power failures, and in the cold because the building was unfinished and often unheated.

With impressive technical ingenuity and dedication, those who managed and implemented this countermeasures program were able to detect a truly massive Soviet program to embed electronic

surveillance devices throughout the Embassy building structure. In short, the building is extensively and cleverly penetrated. While the details of this system remain classified, it is clearly sophisticated and will be extremely difficult, if not impossible, to counter fully.

From the outset, the KGB viewed the construction of the new U.S. Embassy as an extraordinary espionage opportunity. There is a well-documented, even spectacular, record of prior Soviet technical penetrations of U.S. facilities in the Soviet Union, as well as of those of other Western powers. In the case of the new U.S. Embassy, the Soviets planned and mounted the most massive, sophisticated, and skillfully executed bugging operation in history.

The Soviets apparently manipulated the protracted bilateral negotiations preceding the agreement to start construction in order to secure optimal conditions for a thorough technical attack—and to ensure the security of its own new Embassy site in Washington. The KGB apparently created an elaborate bureaucratic infrastructure to conceive, develop and implement a penetration program that would take full advantage of the opportunity. The program planners probably drew from a large reservoir of technical expertise both inside Soviet Intelligence and in other sectors of the Soviet bureaucracy to bring to bear their best technology available at the time.

The Soviets have demonstrated the lengths to which they will go in diplomatic positioning, operational planning and resource allocation to compromise a U.S. diplomatic facility built in their own backyard. The new Embassy stands as a warning and object lesson to be heeded in planning remedial measures in Moscow and new Embassy construction elsewhere in the Soviet bloc.

Meanwhile, the National Bureau of Standards has completed a Congressionally-mandated assessment of the structural integrity and quality of the new Embassy building. After reviewing the design specifications and inspecting the site, NBS concluded that the "structural materials and components used in the Office Building are generally of good quality. However, important deficiencies exist in the structure that must be corrected for adequate safety before the building is occupied." NBS concludes that if the Embassy were located in Washington, DC, it would take $1,464,000 to effect the necessary repairs, which could be completed in less than a year. NBS does not attempt to estimate costs and time required in Moscow. None of these estimates concerns the security-related problems noted above.

CURRENT PERSPECTIVES ON THE SITUATION

On April 22–23, 1987, the Intelligence Committee held three closed hearings to consider the problem of security at the U.S. Embassy in Moscow and worldwide. Witnesses included the Undersecretary of State for Management, the Assistant Secretary of State for Diplomatic Security, the Deputy Assistant Secretary of State for Foreign Buildings, the recently-retired U.S. Ambassador to the Soviet Union, the chairman of the Secretary of State's Advisory Panel on Overseas Security (1984–1985), and appropriate officials of the U.S. Intelligence Community.

The Committee heard testimony that the Marine Guard compromises, taken with previously existing security and structural problems in the current Embassy building, will require many millions of dollars to repair. The Department of State has already asked for some of those funds, and more are likely to be needed over the next 2–3 years.

Testimony presented to the Committee also indicated that it will be difficult even to state how Soviet technical penetration of the new chancery building might be successfully combated, let alone to actually effect such a program of neutralization. Although several Executive branch agencies and special boards are considering possible steps of this sort, witnesses indicated a clear lack of confidence that any measure could guarantee a secure chancery building in which sensitive conversations and communications would be truly protected.

The Committee heard further testimony regarding the basic flaws in State Department security organization and practices. One expert witness made a strong plea for the budgetary protection of State Department technical security programs from competition from other State Department programs. A State Department official conceded that the Department had attempted, earlier in this fiscal year, to reprogram funds out of technical security. Congressional opposition had prevented that debilitating action from being effected. It was also noted that the Bureau of Diplomatic Security has a difficult time recruiting and retaining expert technical personnel, due to the rigidity of a Foreign Service personnel system that is designed for categories of employees other than the sort that are needed for technical security functions.

At the end of the series of hearings, the question of whether the organization of the State Department for handling questions of security should be revised was discussed. A State Department official acknowledged that security functions in the Department are divided among three offices at varying levels within the Department, all of which must report through the Undersecretary in order to reach the Secretary. It was agreed that the security functions in the three offices be combined. A proposal based upon this idea is incorporated in the recommendations of this report.

III. Diplomatic Security Authorization

FY '88 is the third year of the State Department's five year program to implement the recommendations of the Secretary's Advisory Panel (Inman Report) on embassy security. Expenditures in the first two years focused on physical security measures intended to harden U.S. diplomatic facilities against terrorist or mob attacks. The FY '88 authorization request, however, focuses on technical security against the hostile intelligence threat. Recent events in Moscow certainly suggest this emphasis is appropriate, if not overdue.

The FY '88 request include $104 million in new monies for technical security. The major categories of expenditure are as follows:

	Millions
Support for positions and programs already in place plus increased costs due to currency fluctuations and inflation	$30

	Millions
Program increases for:	
Construction security including guards and other measures to protect construction sites	25
Technical security in new diplomatic facilities including protection against technical penetration attempts, the replacement of foreign nationals by U.S. citizens as computer operators, and the procurement of specialized equipment	16
Protection of office equipment, intended for use at the Moscow Embassy and other overseas missions, through its life cycle from procurement to installation and repair	15
Security protection (guards, vehicles, equipment) for American officials, including the Secretary of State, traveling overseas and foreign dignitaries visiting the United States	8
Interagency counterterrorism research and development	9
Training of security personnel and provision of secure storage for equipment prior to shipment	1

In the judgment of the Intelligence Committee, these expenditures are all justified and appropriate.

The budget authorization request was developed before the recent revelations involving the Marine guards in Moscow. The State Department, in conjunction with the CIA and the National Security Agency, is preparing a supplemental budget authorization request. It will take several weeks to develop the request, which will cover the costs of removing, replacing, and painstakingly analyzing equipment that may have been compromised as well as renovating and examining facilities that may have been penetrated.

IV. Recommendations

The Committee has concluded that fundamental long-term changes are necessary in the way the United States conducts its mission in Moscow, other high-threat areas, and elsewhere. If security is to become a reality in our Embassies, the short-term fixes and patchwork approach of the past must be scrapped. Instead, the Congress and Executive must commit themselves to a program of institutional reforms that meet the challenge directly.

RECOMMENDATION 1: DEMOLISH THE NEW MOSCOW CHANCERY BUILDING

Overwhelming evidence indicates that a highly organized and sophisticated effort by the Soviet Union has compromised the technical security of the new Chancery. A significant level of doubt will always exist concerning our ability to conduct secure activities in the building. There is no assurance that these problems can be solved adequately, short of total demolition. Accordingly, the Committee recommends that the Chancery be destroyed and that planning be started to construct a secure facility.

The Committee recognizes that demolishing an office building in which $23 million and the considerable energies of specialists in the field have been invested is a difficult and potentially controversial recommendation. However, failure to take action, even at this late date, would obligate further sizable expenditures in the future to no foreseeable gain. The fact that drastic remedial measures have not, until recently, been given due consideration should not affect the imperative to act now.

Such an effort must be thoroughly coordinated, however, within the diplomatic and intelligence communities of the United States Government. We must concede less in our negotiations with the Soviet Union in order to prevent a repeat of previous mistakes and mismanagement. The Soviets should be put on notice that the State Department will negotiate a new set of construction agreements that meet our security requirements. Past mistakes, such as allowing the Soviets the ability to prefabricate major sections of the Chancery offsite and making use of Soviet construction workers, cannot be repeated. Furthermore, the United States must not allow the Soviets to occupy their new Chancery on Mt. Alto until we can occupy a new Chancery with a reasonable assurance that it has not been compromised. The State Department must plan for the continued long-term occupation of the existing U.S. Embassy in Moscow and make the structural and security modifications necessary to conduct secure operations and communications.

The Committee recognizes that demanding reciprocity in regard to the U.S. and Soviet Chancery buildings may not adequately address security dilemmas presented by the occupation of the residences on Mt. Alto by the Soviets. The Committee suggests that this matter merits further intensive consideration by the intelligence and diplomatic communities and recommends that consideration be given to removing the occupants of the residences in the United States and the Soviet Union until such time as the security concerns of the Committee are resolved.

RECOMMENDATION 2: CONSOLIDATE THE SECURITY, EMBASSY CONSTRUCTION, AND FOREIGN MISSION PROGRAMS OF THE STATE DEPARTMENT

The record demonstrates that the security and building functions of the State Department are fragmented and are scattered in at least three different major organizational units. This is a significant reason for the security breakdowns in the Moscow Embassy program. While creation of the new Bureau of Diplomatic Security is a positive improvement of the Omnibus Diplomatic Security and Antiterrorism Act of 1986, more needs to be done before Congress can be assured that security concerns are considered at the highest policy levels and that resources are efficiently and effectively spent in the future.

Accordingly, the Committee recommends that the Bureau of Diplomatic Security, the new construction element of the Foreign Buildings Office, and the Office of Foreign Missions be consolidated into a single new organizational unit. Furthermore, it recommends that this unit be directly responsible and accountable to the Secretary of State.

Furthermore, the Committee requests the Director of Central Intelligence to certify to the Committee the security conditions of all existing Embassy facilities, and of all new facilities prior to their occupation.

RECOMMENDATION 3: FENCE DIPLOMATIC SECURITY FUNDING

Consolidating the management of the diplomatic security and building function is only a first step in assuring a vigorous and successful long-term counterintelligence effort. In addition, protection

must be given to the resource base of these programs in order to foster continuity, stability, and efficiency.

Accordingly, the Committee recommends that funds appropriated in that area should then be protected to prevent reprogrammings or diversions to other areas of the State Department.

RECOMMENDATION 4: ESTABLISH A SENATE TASK FORCE FOR THE LONG TERM OVERSIGHT OF EMBASSY SECURITY

The programs of diplomatic security and Embassy construction cut across the jurisdictions of the Select Committee on Intelligence, the Foreign Relations Committee, and the Appropriations Committee. No single committee, however, is structured to conduct consistent and thorough reviews of the entire range of relevant issues on a long-term basis. Such a vacuum results in a piecemeal approach to Embassy construction and security problems.

Accordingly, the Committee recommends that the Chairman and Ranking Minority Members of these Committees establish a task force to review regularly the State Department's overseas security and buildings programs. Such a working group would periodically review the quality and effectiveness of these programs and report to the authorizing and appropriating Committees of Congress on their findings and recommendations.

RECOMMENDATION 5: ESTABLISH AN OUTSIDE ADVISORY PANEL TO PROVIDE AN OBJECTIVE ANALYSIS OF FUTURE EMBASSY CONSTRUCTION PLANNING

The history of the new Moscow Embassy program is a text book example of bureaucratic inertia, turf warfare, and inadequate interagency coordination. Diplomatic objectives and time pressures precluded full consideration of security and counterintelligence concerns during the negotiating process. Later, the desire to complete the project resulted in failure to address obvious security concerns, allowing construction to continue at the Chancery until 1985 despite clear warnings as early as 1979 that the building was being technically penetrated. A failure to defend U.S. interests against the Soviet intelligence attack has resulted in building a complex that is a decade overdue, $100 million over budget, and uninhabitable.

Furthermore, there is no doubt that similar efforts will be made to attack the six new Embassies now planned for construction in Eastern Europe. This suggests the real possibility that the U.S. will be placed in the same position with respect to these Embassies as it is in Moscow.

Accordingly, the Committee recommends that the Secretary of State and the Director of Central Intelligence convene immediately a panel of outside experts to review and analyze the plans, contracts, and protocols of these proposals and make recommendations necessary to protect the integrity of all new Embassy projects.

RECOMMENDATION 6: REVISE PROCEDURES GOVERNING THE MARINE SECURITY GUARD PROGRAM

From the tragic revelations concerning the Marine Security Guard detachments in Moscow and Leningrad, it is clear that both

the State Department and the Marine Corps inadequately appreciated the intelligence and security dangers inherent in long-term duty in these locations and did not take sufficient steps with respect to Marine duties and oversight.

Accordingly, the Committee recommends that the Marine Corps make fundamental changes in the assignment and operational procedures governing Marine Security Detachments in the Soviet Union and other hostile intelligence areas. Specifically, tours of duty should be shortened such that no sustained tour would exceed 6 to 9 months. Assignments in these areas should be made only to personnel with untarnished records and with previous security detachment experience. To the extent feasible, married Marines should be utilized. A program of exit polygraphing of Marine guards for counterintelligence purposes upon completion of their tours should be implemented.

In addition, the Committee recommends that the State Department, in concert with Administration counterintelligence officials, review security guard procedures in hostile intelligence areas. Consideration should be given to the use of security personnel with counterintelligence backgrounds in areas where the security threat derives more from intelligence compromise than physical danger.

RECOMMENDATION 7: REPLACE FOREIGN SERVICE NATIONALS WORKING AT U.S. MISSIONS IN HIGH-RISK COUNTRIES

While there are no longer any Soviet citizens working in the U.S. Embassy in Moscow, there are still significant numbers of foreign nationals working in our missions in Eastern Europe and other hostile intelligence areas. Such a situation poses a well documented security threat that cannot be tolerated.

Accordingly, the Committee recommends, as it has on previous occasions, that the State Department take the steps necessary to replace these foreign nationals with American workers. In addition, the Committee recommends that the State Department consider alternatives to contracting out to private U.S. firms for necessary replacement services. Specifically, the Department should seek to establish its own in-house capability to operate and maintain its missions and should develop a creative structure to make use of junior level personnel from many areas of government to perform service functions overseas.

RECOMMENDATION 8: REFORM PERSONNEL POLICIES TO ENHANCE SECURITY

An effective program of diplomatic security depends on adequate resources, efficient management, and dedicated and competent personnel. Accordingly, the Committee recommends that the Department of State take the necessary steps to expedite the recruitment and retention of qualified security engineers, technicians, managers, and counterintelligence specialists. Adequate promotion opportunities must be assured. In addition, the wisdom of current Departmental assignment procedures should be reviewed with an eye toward expediting the rotation of qualified personnel to diplomatic security. Increasing the exchange of personnel with other relevant government agencies also should be encouraged, and adequate

training opportunities should be provided. The Committee hopes this will contribute to a fuller understanding of the goals and perspectives, of all government agencies involved.

The Committee recognizes that security awareness is sometimes not considered part of the "culture" of the foreign service. Events show, however, that the day of "gentlemen not reading other gentlemen's mail" passed long ago. Accordingly, the Committee recommends that the Secretary of State strengthen Department efforts to provide more effective security awareness and training before overseas assignments, increase the authority of Regional Security Officers at overseas missions, and reemphasize the ultimate accountability of Ambassadors for Embassy security. In cases of negligence and malfeasance of duty, the Department of State must act quickly to assess accountability and implement necessary disciplinary actions.

This Committee recognizes that personnel from government agencies other than the State Department comprise a significant part of an Embassy staff. In many cases career Foreign Service Officers are in a minority. This results in fragmentation and uneven levels of counterintelligence training at overseas posts. Therefore, the Committee recommends that an office be established to serve as the focal point for security awareness and counterintellingence training for all U.S. Government personnel from outside the national security arena (e.g. the Departments of Commerce and Agriculture), as well as from agencies under the Department of State (e.g., AID and USIA), who are assigned to overseas missions. In addition, this office should be the final authority for judging the suitability on counterintelligence grounds of personnel who are assigned from any agency to U.S. Embassies.

The State Department also needs to provide for greater emphasis on the counterintelligence implications of certain conduct by Embassy personnel, including Marine Guards. Cases of misconduct in Communist bloc countries, such as fraternization or "black market" involvement, ought to be routinely investigated, using polygraph examinations, as appropriate, for possible indications of espionage.

○